

## SCAG PROPOSED RHNA PILOT PROJECT LANGUAGE

Add Section 65584.02.5 to the Government Code to read:

65584.02.5.(a) For the fourth revision of the housing element pursuant to Section 65588 within the region of the Southern California Association of Governments (SCAG), the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article. SCAG shall prepare the fourth revision of the Housing Element Regional Housing Needs Assessment in accordance with the following:

- (1) Develop an integrated long-term growth forecast by 5 year increments.
- (2) The forecast shall include three major variables: population, employment, and households by geographic area throughout the region.
- (3) SCAG shall convert households into housing units using replacement rates from the Department of Finance (DOF), and county level vacancy rates from the most recent Census, by weighing vacancy rates of for-sale and for-rent units.
- (4) SCAG shall approve the forecast, and transmit it to the State Housing and Community Development Department (HCD) at the regional level with the following variables: population, households, employment and housing units.
- (5) If the total regional population forecast for the planning period, developed by SCAG and used for the preparation of the regional transportation plan, is within a range of 4 percent of the total regional population forecast for the planning period over the same time period by the Department of Finance (DOF), then the population forecast developed by SCAG shall be the basis from which the department determines the existing and projected need for housing in the region.
- (6) If the difference between SCAG's population projection and the one projected by the DOF is over 4 percent, the California Department of Housing and Community Development (HCD) may convene a Panel consisting of representatives from Department of Finance (DOF), Employment Development Department (EDD), Caltrans and a representative of another Council Of Government (COG) to review the assumptions and methodology of the forecast and to recommend to HCD whether or not the household forecasts and assumptions are consistent with this section or require modifications.
- (7) Upon review of the recommendations of the Panel and consultation with SCAG, HCD shall either certify the SCAG forecast, or shall certify the forecast determined by the Panel, or shall propose an alternative regional housing need with a written explanation for its proposal to the Panel. If HCD proposes an alternative regional housing need that is not acceptable to SCAG, the parties shall abide by the determination of the Panel.

(b) SCAG shall consider the factors specified in Government Code Sections 65504.04(d)(1),(2)(A-C),(3),(5), and (9), early in the growth forecast process, and shall not be required to survey its member jurisdictions pursuant to subdivision (b) of Section 65584.04.

(c) SCAG shall delegate development of the Housing Need Allocation Plan to the subregional entities, provided that subregional entities agree to maintain the subregional total of housing need throughout the process.

(d) SCAG shall conduct a minimum of fourteen public workshops, which shall include at least one for each subregion. The objective of the workshop shall include but not be limited to the solicitation of information regarding the above factors.

(e) The methodology and allocation process shall follow the Regional Transportation Plan (RTP) Growth Forecasting Process and other strategies adopted by SCAG to integrate housing planning with projected population growth and transportation. SCAG shall complete the Housing Need Allocation Plan twelve (12) months from the date that HCD sends notice of the certification of the SCAG forecast.

(f) SCAG shall allow a city or county to appeal its draft allocation pursuant to subdivisions (d) and (e) of Section 65584.05, but shall not be required to entertain requests for revision pursuant to subdivisions (b) and (c) of Section 65584.05. A city or county shall not be allowed to file more than one appeal, and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05.

(g) SCAG shall approve the final Housing Need Allocation Plan with findings that the Plan is consistent with the objectives of this section and with the Regional Transportation Plan, and that the distribution of housing allocation will not significantly impact mobility and air quality. In the event that two or more local governments agree to an alternate distribution of appealed housing allocations pursuant to subdivision (g) of Section 65584.05, the SCAG shall review the agreement. The agreement shall only be included in the final allocation plan if the SCAG makes a finding that the agreement is consistent with regional transportation and air quality plans and does not exacerbate racial or economic segregation.

(h) This section shall be repealed on December 31, 2014, unless a later enacted statute extends that date.